

Questar Gas wants to change its billing system

By Steven Oberbeck
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Questar Gas Co. is facing a dilemma.

It wants to encourage its customers to conserve energy and use less natural gas.

Yet when Questar's customers cut back - and many already are turning down their thermostats because of the rising cost of natural gas - the company's revenue suffers and it has a harder time collecting enough money to cover its operating expenses.

Questar is working on a solution.

It plans to ask the Utah Public Service Commission, possibly by the end of this week, to let it change the way it charges its customers for its fixed costs - expenses that include employee wages, the outlays for its buildings and expenditures on its pipes, trucks and other equipment.

"We've been looking at a number of alternatives that will help put us in the position where we can both encourage our customers to conserve and still collect enough to meet our costs," said Barrie L. McKay, Questar's manager of regulatory affairs. "And we can say that regardless of what we propose, nobody's bill will go up one iota."

Under its current rate structure, the amount Questar collects from each of its customers for its fixed costs is tied to the amount of natural gas used in each home. Customers who use more natural gas pay more of the company's costs than those who use less.

One alternative is for Questar to add an additional charge on its monthly bills that itemizes what each customer pays in fixed costs, said Connie White, director of the Utah Division of Public Utilities. Other parts of the bill would go down to balance out the new cost category.

"You really want to encourage people to conserve and use less gas, but at the same time you don't want to put the company in the position where they are going broke," she said. "There are probably a half dozen approaches now being used in other states, and getting to the best one for us (Utah) is the challenge."

McKay said Questar started studying the issue of how it can best handle the collection of its fixed costs close to three years ago. "We've talked with the Committee (of Consumer Services) staff, the Division (of Public Utilities) and community groups," he said. "We've tried to include everyone in the process."

The Committee of Consumer Services, which is charged with representing the interests of individual customers in utility matters, said it doesn't know anything about Questar's plans.

"The Committee is aware of recent discussions between Questar Gas and the Division regarding alternatives to deal with Questar Gas' decline in revenue," said spokeswoman Christine Keyser. "To date, nothing has been filed" with the PSC."

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